

252 CMR: BOARD OF REGISTRATION IN PUBLIC ACCOUNTANCY

252 CMR 2.00: REQUIREMENTS FOR CERTIFICATION

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The Board of Public Accountancy hereby adopts and all licensees shall comply with the applicable provisions of the Code of Professional Conduct of the American Institute of Certified Public Accountants, and the interpretations and ethics rulings with respect thereto, to the extent such interpretations and rulings do not conflict with the provisions of 252 CMR 3.01 through 3.05.

2.01: Eligibility of Candidates to Take Examination

(1) Persons desiring to take the examination for qualification as a certified public accountant should apply on a form provided by the Board, or its designated exam administrator. The forms are obtainable from the Board's exam administrator's offices. Different forms and instructions will be provided for original examinations and for re-examinations.

(2) Prior to January 2004, a candidate must have taken for all parts of the examination at their first sitting and thereafter until at least one conditional (per section 2.06 (2) credit was earned. Subsequent to December 31, 2003, the new conditional credit rules for passing the examination in section 2.06 (1) (a-e) are in effect.

To sit for the examination, a candidate must be not less than 18 years of age and must:

(a) have qualified and sat for a uniform certified public accountant examination in Massachusetts prior to November 1975; or

(b) meet the educational (but not the experience) requirements of 252 CMR 2.07(2); or

(c) prior to January 2004, be a candidate in the final academic term of completing the education requirements of 252 CMR 2.01(3) or beginning with the November 2002 paper exam meet the education requirements of 252 CMR 2.01(4), in which case the candidate may sit once for the examination in the candidate's final academic term; or

(d) meet the education requirements of 252 CMR 2.01(4), however, subsequent to December 31, 2003, no candidate will be allowed to sit for the computer based exam until the candidate has met the education requirement of 252 CMR 2.01 (4).

(3) Effective with initial application for admission to the November 1992 examination, an accounting concentration shall be defined as a minimum of 24 semester hours (36 quarter hours) in accounting subjects (Accounting, Auditing, and Taxation). Accounting subjects do not include elementary or introductory accounting courses. Prior to the November 1992 examination, no particular course requirements need be fulfilled.

The minimum accounting course requirement for an accounting concentration shall consist of the following subjects:

Intermediate/Financial Accounting	6 semester hours or 9 quarter hours
Advanced/Managerial Accounting/ Cost Accounting	3 semester hours or 4½ quarter hours
Auditing	3 semester hours or 4½ quarter hours

Taxation	3 semester hours or 4½ quarter hours
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The remaining nine semester hours (13½ quarter hours) may be obtained in additional accounting, auditing, or taxation courses or the below-listed subject areas. The maximum number of hours in each subject as listed below shall be as follows:

Business Law	3 semester hours or 4½ quarter hours
Business Statistics/ Quantitative Applications	3 semester hours or 4½ quarter hours
Computer Science/ Information Systems	3 semester hours or 4½ quarter hours
Finance	3 semester hours or 4½ quarter hours

Prior to November 2002, if a candidate's degree does not include an accounting concentration as described above, the candidate may become eligible for examination and certification by the Board by successfully completing the course requirements listed above at a college or university approved by the Board.

(4) Effective with initial application for admission to the November 2002 examination, a candidate must have completed 150 semester hours (225-quarter hours) of college or university education to include a bachelor's degree from a nationally or regionally accredited institution approved by the Board. For the purposes of determining equivalence of quarter hours, four and one half-quarter hours will equal three credit hours. The Board will review successful completion of 3-quarter hour courses; provided that the accounting and business course requirements total 36 quarter hours each. The candidate must have completed the 150-hour education requirement in accordance with one of the following four provisions:

1. Earned a graduate degree in accounting from a program at a nationally or regionally accredited college or university approved by the Board that is further accredited by the AACSB – The International Association for Management Education (AACSB). Programs not accredited by AACSB must be approved by the Board as having substantially equivalent educational program requirements. The Board, or an Educators Credential Committee appointed by the Board, will review the graduate accounting programs of a nationally or regionally accredited college or university to determine if such programs are substantially equivalent to AACSB standards, upon a written request from such college or university. The Educators Credential Committee will consist of at least three accounting educators selected by the Board from the faculty of nationally or regionally accredited educational institutions located in the Commonwealth of Massachusetts;
2. Earned a graduate degree in accounting, business administration or law from a nationally or regionally accredited college or university approved by the Board. This degree must include 24 semester hours (36 quarter hours) of accounting at the undergraduate level, or 18 semester hours (27 quarter hours) of accounting at the graduate level, or an equivalent combination thereof. Elementary or

- introductory accounting courses will not qualify for this course requirement. The accounting credits shall include coverage in financial accounting, auditing, taxation, and management accounting. In addition, the degree must include or be supplemented by, 24 semester hours (36 quarter hours) of business courses (other than accounting courses) at the undergraduate level or 18 semester hours (27 quarter hours) at the graduate level, or an equivalent combination thereof;
3. Earned at least a bachelor's degree in business from a nationally or regionally accredited college or university approved by the Board. This degree must include 24 semester hours (36 quarter hours) of accounting, exclusive of elementary or introductory accounting courses. The accounting credits shall include coverage in financial accounting, auditing, taxation, and management accounting. In addition, the degree must include, or be supplemented by, 24 semester hours (36 quarter hours) of business courses other than accounting courses. These business courses shall include coverage in the areas of business law, quantitative applications in business, information systems, finance, and coverage in at least one of the areas of economics, business organizations, professional ethics, and/or business communication; or
 4. Earned a bachelor's degree from a nationally or regionally accredited college or university approved by the Board. This degree must include, or be supplemented by, 24 semester hours (36 quarter hours) in accounting courses at the undergraduate level, exclusive of elementary or introductory accounting courses. The accounting credits shall include at least three semester hours in each of the subject areas of financial accounting, auditing, taxation, and management accounting. In addition, the degree must include, or be supplemented by, 24 semester hours (36 quarter hours) of business courses at the undergraduate level, to include at least three semester hours in the subject areas of business law, business information systems, professional ethics and finance. Courses in quantitative applications in business, business management of organizations, economics, and/or business communication may be included for the business course requirements.

Effective with initial application to the November 2002 examination, the required business and accounting concentration courses must be completed, or accepted in transfer, at a four-year accredited college or university approved by the Board. Associate Degree/Junior College courses will be accepted only if transferred into a four-year bachelor's degree program.

2.02: Times and Places of Examinations

Prior to January 2004, examinations were held in May and November of each year in the Commonwealth of Massachusetts at a time and place set by the Board. Subsequent to December 2003, a Computer Based Examination will be implemented as the Uniform CPA Examination and the procedures for this examination and its availability are described in the following regulations. For all examinations, the **applications must be a**

accompanied by a payment for the prescribed fee required. Those whose applications are approved by the Board will receive notice from the Board or its designee of the place, date and hours of such examinations. The Board, in its discretion, may permit an applicant who is a resident of the Commonwealth of Massachusetts to sit for the examination in another state; the taking of such examination by such applicant, however, shall be under the jurisdiction of this Board and subject to 252 CMR.

2.03: Administration and Grading of Examinations

The Board has adopted and makes use of the examinations (Uniform CPA Examination) and advisory grading service provided by the Board of Examiners of the American Institute of Certified Public Accountants (AICPA).

2.04: Subject Matter of Examinations

Subsequent to December 2003, the Computer Based Examination (CBT) will consist of four sections set forth below. The titles of the new CBT sections are as follows: Auditing and Attestation; Financial Accounting and Reporting; Regulation and Business Environment; and Concepts.

Prior to January 2004, effective Effective with the May 1994 Uniform CPA Examination, the component parts and schedule of the examination will change. The examination will consist of four sections which will be given on designated Wednesdays and Thursdays every May and November. The titles of the new examination sections (including their abbreviations) and the section format will be:

SECTION	FORMAT
Business Law & Professional Responsibilities (LPR)	Both objective and essay items
Auditing (AUDIT)	Both objective and essay items
Accounting & Reporting - Taxation, Managerial, and Governmental and Not-For-Profit Organizations (ARE)	Objective items only
Financial Accounting & Reporting - Business Enterprises (FARE)	Both objective and essay items

Note: Writing skills will be taken into account in the grading of the LPR, AUDIT and FARE sections.

Calculators will be provided to candidates taking the ARE and FARE sections.

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2.05: Recognition of Full or Partial Credits Granted by Other States

Recognition will be given to satisfactory completion of one or more subjects given by a licensing authority in another state, if the examination given by the licensing authority in

the other state was the Uniform CPA Examination set and graded as passing by the Board of Examiners of the AICPA, provided that conditional credit would have been given under 252 CMR 2.06(2) had the examination been taken in Massachusetts.

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2.06: Granting of Full or Partial Credits to Candidates Who Pass Examination in One or More Subjects; Re-examination; etc.

- (1) **Passing All Subjects.** A candidate who receives a grade of 75 or higher in each of the four subjects on the first sitting shall have passed the examination.
- (a) Subsequent to December 2003, upon implementation of a Computer Based Examination, a candidate must take the required Test sections individually and in any order. Credit for any Test Section(s) shall be valid for eighteen (18) months from the actual date the candidate took the Test Section, without having to attain a minimum score on any failed Test Section(s) and without regard to whether the candidate has taken other Test Sections.
 - (1) Candidates must pass all four (4) Test Sections of the Uniform CPA Examination within a rolling eighteen (18) month period, which begins on the date that the first Test Section(s) that is passed was taken.
 - (2) Candidates cannot retake a failed Test Section(s) in the same examination window. An examination window refers to a three-month period in which candidates have an opportunity to take the CPA examination (composed of two (2) months in which the examination is available to be taken and one (1) month in which the examination will not be offered, while routine maintenance is performed and the item bank is refreshed. Thus, candidates will be able to test two (2) out of the three (3) months within an examination window.
 - (3) In the event all four (4) Test Sections of the Uniform CPA Examination are not passed within the rolling eighteen (18) month period, credit for any Test Section(s) passed outside the eighteen (18) month period will expire and Test Section(s) must be retaken.
- (b) Candidates having earned conditional credits on the paper-and-pencil examination, as of the launch date of the Computer Based Examination, will retain conditional credits for the corresponding Test Sections of the Computer Based Examination as follows:

Paper - and Pencil Examination	Computer Based Examination
Auditing	Auditing and Attestation
Financial Accounting and Reporting (FARE)	Financial Accounting and Reporting

Accounting and Reporting (ARE)	Regulation
Business Law and Professional Responsibilities (LBR)	Business Environment and Concepts

- (1) Candidates who have attained additional credit status as of the launch date of the Computer Based Examination will be allowed a transition period to complete any remaining Test Sections of the Computer Based Examination. The transition period is the maximum number of consecutive opportunities that candidates (who were conditioned under the paper-and-pencil examination) would have had remaining, at the launch of the Computer Based Examination, multiplied by three (3) months, to a maximum of eighteen months from April 5, 2004.
- (2) If a previously conditioned candidate does not pass all remaining Test Sections during the transition period as above in (b) (1), the conditional credits earned under the paper-and pencil examination will expire and the candidate will lose credit for Test Sections earned under the paper-and pencil examination. However, any Test Section passed during the transition period of the Computer Based Examination is subject to the conditioning provisions as indicated in the aforementioned conditioning section 2.06(a).
- (c) A Candidate shall retain conditional credit for any and all Test Sections of an examination passed in another state if such credit would have been given, under then applicable requirements, as if the candidate had taken the examination in this State.
- (d) The Board may in particular cases extend the term of conditional credit validity notwithstanding the requirements of subsections (a), (b) and (c), upon a showing that the credit was lost by reason of mitigating circumstances beyond the Candidate's control.
- (e) A candidate shall be deemed to have passed the Uniform CPA Examination once the candidate holds at the same time valid credit for passing each of the Four (4) Test Sections of the Examination. For purposes of this section, credit for passing a Test Section of the Computer Based Examination is valid from the actual date of the testing event for that Test Section, regardless of the date the candidate actually receives notice of the passing grade.

Prior to January 2004:

- (3) Conditional Credit. A candidate who passed two or more subjects at any examination given by the Board and attained a grade of 50 or more in each subject which the candidate failed, was credited with the subjects in which the candidate received a grade of 75 or higher, and the candidate had the right to be re-examined in only the remaining subject or subjects at any of the six subsequent examinations; provided, however, that if a candidate received a grade of 75 or higher in three subjects and a grade below 50 in the failed subject, the Board had the right to consider whether credit would be granted for the parts passed.

Prior to January 2004

- (4) Re-examination. A candidate who would have received a conditional credit or credits under 252 CMR 2.06(2) who have received receive a further conditional credit in the subject or subjects in which the candidate received a grade of 75 or higher if upon such re-examination the candidate receive a grade of 50 or higher in each subject which the candidate failed

Prior to January 2004

- (5) Time Limit on Conditional Credits.

(a) Conditional credits continued to be valid only when the remaining subjects were successfully completed at any of the six examinations given by the Board immediately following the examination in which the candidate first received a conditional credit. However, the Board, in its discretion and under extenuating circumstances, could extend the period within which conditional credits continued to be valid.

(b) A candidate who, on first examination failed to qualify for a conditional credit or credits under 252 CMR 2.06(2) was required to sit for the entire examination.

- (6) Military Service. The time limitations within which a candidate is required to pass subjects under 252 CMR 2.06(2) and 2.06(3) shall not include any period during which the applicant is on active duty in the Armed Services of the United States.

- (7) Massachusetts Bar Member.

(a) An applicant who sat for the Uniform CPA Examination prior to May 1994 who is a member of the Massachusetts Bar is not required to take the written examination in Business Law. To be excused from this examination such an applicant must present a certificate from the Clerk of the Supreme Judicial Court attesting to the fact that the applicant is a member of the Massachusetts Bar in good standing.

(b) Beginning with the May 1994 examination, members of the Massachusetts Bar will no longer be exempt from taking the Business Law & Professional Responsibilities (LPR) section of the examination. Effective with the May 1994 examination, members of the Massachusetts Bar will be required to take all sections of the Uniform CPA Examination.

- (8) Examination Results. The Board or its designee will advise a candidate whether the candidate has passed all or any part of the examination.

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2.07: Education, Experience and Other Requirements for Issuance of Certificate as Certified Public Accountant

(1) Formal Application. An applicant for a certificate who has passed the **written** examination set by the Board must file with the Board a formal application for such certificate, accompanied by payment of the required fee. A form for application is prescribed and may be obtained from the offices of the Board. An applicant must also submit official transcript(s) from colleges or universities as provided in 252 CMR 2.07(2), experience letter(s) from employer(s) as provided in 252 CMR 2.07(3), and three letters from employers, business associates or clients testifying to the applicant's character and fitness. A recent unmounted photograph at least 2" by 2" in size must also be attached.

(2) Education and Experience Requirements. An applicant for a certificate as a certified public accountant who has successfully passed the examination, and qualifies otherwise in the opinion of the Board, shall receive a certificate as a certified public accountant upon satisfying the Board that the applicant meets the following requirements of education and experience:

(a) The applicant is a graduate of a college or university approved by the Board with a bachelor's degree or its equivalent, with an accounting concentration, as described in 252 CMR 2.01(3) (no person shall be required to have an accounting concentration until July 1, 1992), and that the applicant has had at least three years' experience in the full-time practice of public accounting of the type described in 252 CMR 2.07(3) (5460 total hours required); or

(b) The applicant is a graduate of a college or university approved by the Board with a bachelor's degree supplemented by a master's degree or its equivalent from a college or university also approved by the Board, provided the applicant's education has included an accounting concentration, as described in 252 CMR 2.01(3), or the equivalent thereof, and that the applicant has had at least two years experience in the full-time practice of public accounting of the type described in 252 CMR 2.07(3)(a) (3640 total hours required); or

(c) Subsequent to the May 2002 examination, the applicant is a graduate of a college or university approved by the Board with at least a bachelor's degree, to include 120 semester hours with an accounting concentration, supplemented with an additional 30 semester hours as described in 252 CMR 2.01(4), provided that the applicant has had at least one year of experience in the full-time practice of public accounting of the type described in 252 CMR 2.07(3)(b) (1820 total hours required); or the applicant is a graduate of a college or university approved by the Board with a bachelor's degree supplemented by graduate degree in accounting, business administration or law, including the course requirements described in 252 CMR 2.01(4), in which case experience in the practice of public accounting is not required for the issuance of a certificate as a certified public accountant.

(3) Type of Experience Required.

(a) The experience required in 252 CMR 2.07(2)(a) and 2.07(2)(b) for a certificate and license as a certified public accountant shall have been in public practice or its governmental equivalent, as defined in 252 CMR 2.07(6) and as approved by the Board, and that such experience shall have included 1000 hours in the report function on full disclosure financial statements, of which not more than 300 hours may consist of full disclosure compilations. Commencing December 1, 2002, all applicants for certification who have not completed 1000 hours in the public accounting report function on full disclosure financial statements, must comply with requirements of 252 CMR 3.02(5). Applicants for the certificate and license must submit to the Board a letter or statement from each public accounting firm or government employer in which the experience was obtained over the most recent period of the applicant's experience of the length required. Such a statement shall be attested to, under the pains and penalties of perjury, by a partner, shareholder or member of such public accounting firm(s) or by the government supervisor describing the applicant's experience.

(b) The experience required in 252 CMR 2.07(2)(c) for a certificate as a certified public accountant shall have been in public practice or its governmental/non-public accounting equivalent, as set forth in 252 CMR 2.07(6). Applicants must submit a letter or statement to the Board from each public accounting firm or government/non-public employer in which the experience was obtained over the most recent period of the applicant's experience of the length required, including a description of the type and exact dates of experience, signed by a partner, shareholder or member of such public accounting firm, government supervisor or CPA supervisor of non-public experience under the pains and penalties of perjury.

(c) Commencing December 1, 2002, public accounting report experience will be a requirement for issuing reports on financial statements and a qualifying tenure of experience must be at least twelve months within a thirty six (36) month period.

(4) Exceptions to Education and Experience Requirements. The education requirements of 252 CMR 2.07(2)(a), 2.07(2)(b) and 2.07(2)(c) notwithstanding, a candidate who successfully passes the examination shall be eligible for the certificate of certified public accountant if the candidate meets the education and experience requirements that were requisite at the time the candidate first sat for the examination in some prior year. Commencing on December 1, 2002, a candidate who sat for the examination without complying with the provisions of 252 CMR 2.07(2)(c) may qualify under the experience requirement of 252 CMR 2.07(3)(a) or obtain the education requirements of 252 CMR 2.07(2)(c) subsequent to the completion of the exam.

(5) Calculation of Full-Time Experience. The Board will provide credit for full-time experience as a practicing public accountant only if such full-time experience extends over an uninterrupted period of two months or more with a minimum of 35 hours worked per week in conformity with 252 CMR 2.07(3)(a). The Board will provide credit for part-time experience only if such part-time experience extends over an uninterrupted period of two months or more with a minimum of 20 hours worked per week in conformity with 252 CMR 2.07(3)(a), such credit to be granted only for experience in public accounting calculated on the basis of hours actually devoted to such qualifying part-time experience.

For this purpose, sickness and legal holidays do not interrupt what would otherwise be uninterrupted service. Commencing on December 1, 2002, the Board will provide credit for:

(a) full-time experience government or non-public accounting equivalents, per section 6, only if such full-time experience extends over an uninterrupted period of twelve months or more with a minimum of 35 hours worked per week in conformity with 252 CMR 2.07(3)(b);

(b) or part-time experience only if each part-time experience extends over an uninterrupted period of twelve months, with a minimum of 20 hours per week, calculated on the basis of hours actually devoted to such qualifying part-time experience.

(6) Government/Non-Public Accounting Experience.

(a) Prior to November 2002, the Board, in its discretion, may grant credit of one year of requisite experience for every two full years of service in field audit work with the United States Government or with an agency of the commonwealth in a pay Grade or responsibility level above entry-level, provided that, in the opinion of the Board, such experience is substantially equivalent to that of public accounting practice. For candidates with graduate degrees, the experience requirement will be reduced as set forth in 252 CMR 2.07(3)(b) after November 2002.

(b) Subsequent to November 2002, the Board, in its discretion, may grant credit of one year of requisite experience for non-public accounting work or non-audit government work under the direct supervision of a Certified Public Accountant, for every three full years of service in a responsibility level above entry-level, provided that, in the opinion of the Board, such experience is substantially equivalent to that of public accounting practice.

(c) The Board, in its discretion, may grant credit for field audit work, including the direct supervision of field audit work, with the United States Government or any agency or subdivision of the commonwealth with a demonstrated emphasis on the expression of opinions on financial statements in accordance with generally accepted auditing standards, the review of and report on internal controls, the application of varied auditing procedures, the preparation of audit working papers for account examinations, the planning of auditing work programs, the preparation of written explanations and comments on examination findings and the preparation and analysis of financial statements. The experience required by this clause, as approved by the board, shall be considered work experience on the same basis as experience in public accounting practices; provided, however, that adherence to the standard of independence is strictly applied.

(7) Waiving Requirements Before Examination. Applicants who qualify in other respects may sit for the examination before satisfying the experience requirements of 252 CMR 2.07(2)(a), 2.07(2)(b) and 2.07(2)(c).

(8) Rejection of Application. If an application for a certificate is rejected by the Board for insufficient experience or other cause, the applicant, at any later time, may request the Board to reconsider the application if the deficiencies have been removed.

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2.08: Reciprocity for Persons Qualified in Other States and/or Canada

(1) The Board, upon formal application, may issue a license to practice to a certified public accountant of another state or other jurisdiction provided:

(a) The applicant meets all current requirements in Massachusetts at the time application is made, or at the time of the issuance of the applicant's certificate in the other state, the applicant met all requirements then applicable in Massachusetts, or if the applicant meets all such requirements except that the examination was passed under different credit provisions then applicable in Massachusetts, and provided that each passed part of the exam received a grade issued by the AICPA of 75 or better, then the applicant must have been engaged in public practice, in the other state or must have been under the direct supervision of a partner, shareholder or member of a public accounting firm on a full-time basis for four of the last ten years prior to the applicant's Massachusetts reciprocal application and commencing upon the date of original from the other state;

(b) The applicant holds a valid, current license to practice in the other state.

(c) The applicant furnishes written credentials in regard to education, character, and general qualifications in the same form as is required of all other applicants; and

(d) The applicant, in attesting to the applicant's self-employment experience required by 252 CMR 2.07(3), submits examples of the applicant's report work product (a complete audit, review, and compilation report) issued within three years prior to the applicant's application for reciprocity, and/or the most recent quality review report issued on the applicant's practice, or three notarized statements from the applicant's three largest clients regarding the quality of services provided in a tax or consulting practice.

(2) (a) Canadian Chartered Accountants (CAs) who have successfully completed the Canadian Uniform Final Examination are not required to complete the Uniform CPA Examination in order to achieve the CPA designation. CA applicants for reciprocity are, however, required to pass the International Uniform CPA Qualification Examination (IQEX) designed to ensure that they have satisfactory knowledge of relevant U.S. legislation, standards, and practices. In addition to passing IQEX, licensure applicants must satisfy the requirements of 252 CMR 2.07(3) regarding experience in order to obtain the CPA designation.

(b) CA applicants must also hold a valid, current license to practice in Canada.

(c) CA applicants shall also furnish written credentials in regard to education, character, and general qualifications in the same form as is required of all other applicants.

(3) The Board in its discretion, and on a case by case basis, will accept applications for other foreign licensed (Charter Accountants or CPAs) to sit for and pass the IQEX and apply for the reciprocity based upon their compliance with the education and experience requirements of 252 CMR 2.07 and all applicants must hold a current license to practice in these other jurisdictions. These applicants shall furnish written credentials with regard to character and general qualifications in the same form as is required for all other applicants.

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2.09: Destroying Examination Papers

The Board in its discretion may authorize examination papers to be destroyed six months after the examination.

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2.10: Code of Ethics and Rules of Professional Conduct

The Board has adopted and published 252 CMR 3.00: Code of Ethics Rules of Professional Conduct for fixing and maintaining high standards of integrity and dignity in the profession of public accounting in Massachusetts. Such Code and Rules apply in equal measure to all certified public accountants and public accountants licensed under the Act.

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2.11: Affirmative Action Against Unlawful Discrimination

(1) Purpose. 252 CMR 2.00 is adopted to assure that every person licensed by the Board complies with the equal employment, housing, public accommodations and fair business practices provisions of M.G.L. c. 151B in the conduct of his or her profession.

(2) Authority. This regulation is adopted pursuant to M.G.L. c. 30A, § 2; Executive Order 74 as amended by Executive Order 116; and the statutory authority of the Board to regulate the standard of conduct for this profession.

(3) Standard of Conduct. The standard of conduct of this profession requires that every applicant or licensee comply with the equal employment, housing, public accommodations and fair business practices provisions of M.G.L. c. 151B in the conduct of his or her profession.

(4) Disclosure of Unlawful Practices. Every applicant for registration and every applicant for renewal of a license shall disclose as part of the application, any finding of any

unlawful practice which has been made by the Massachusetts Commission Against Discrimination or by a court pursuant to M.G.L. c. 151B, §§ 5 and 9.

(5) Adjudicatory Hearing. The Board may conduct an adjudicatory hearing to consider the fitness of an applicant or licensee to practice or to continue to practice the profession after a finding of an unlawful practice which has been made by the Massachusetts Commission Against Discrimination or by a court.

(6) Disciplinary Action. After an adjudicatory hearing, the Board shall consider and may take appropriate disciplinary action including censure, suspension, revocation or denial of licensure or fine against an applicant or licensee who is the subject of a finding of unlawful practice which has been made by the Massachusetts Commission Against Discrimination or by a court.

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2.12: Communications

A certified public accountant, or CPA Firm when requested, shall respond to communications from the Board within 30 days of the mailing of such communications by regular mail, registered or certified mail. A certified public accountant, or licensed firm shall notify the Board, in writing, within 30 days of any change in the licensee's name, or legal address.

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2.13: Non-Prohibited and Prohibited Services

As provided in M.G.L. c. 112, § 87D, subsections (a), (b), and (c), no person or firm not holding a valid license shall issue a report (audit, review or compilation) on financial statements of any person, firm, organization or governmental unit. This prohibition does not apply to an officer, partner, shareholder or member or employee of any firm or organization affixing a signature to any statement or report in reference to the financial affairs of such firm or organization or subsidiary or franchise of said organization with any wording designating the position, title or office held therein; nor does it apply to any act of a public official or employee in the performance of official duties as such; nor does it apply to the performance by persons other than licensees of other services involving the use of accounting skills, including the preparation of tax returns and the preparation of financial statements without the issuance of reports thereon.

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2.14: Mandatory Continuing Professional Education

(1) Purpose. 252 CMR 2.14 may be cited and referred to as the "Public Accountancy Continuing Education Rules". They are subject to amendment, modification, revision, supplement, repeal or other change by appropriate action in the future. The purpose of

these rules is to require all certified public accountants licensed under the Massachusetts Public Accountancy Act to comply with continuing education requirements. The Board anticipates that licensees will maintain the high standards of the profession in selecting quality educational programs to fulfill the continuing education requirement.

(2) Effective Date. The Continuing Education Rules became effective July 1, 1979.

(3) Basic Requirements. During the two-year period immediately preceding re-licensing, applicants for biennial license renewal must complete 80 hours of acceptable continuing education, except as stated in 252 CMR 2.14(6). Although 80 hours acquired in one of the two years covered by the registration period qualifies a registrant for the two-year period, no carryover is permitted from one two-year period to another. Only class hours or the equivalent (and not student hours devoted to preparation) will be used to measure the hours of continuing education submitted by individual candidates to the Continuing Education Committee, appointed by the Board. The Board may provide for prorated continuing professional education requirements to be met by applicants whose initial licenses were issued substantially less than two years prior to the renewal date.

(4) Programs Which Qualify.

(a) A specific program qualifies as acceptable continuing education if it is a formal program of learning which contributes directly to the professional competence of a licensee in public practice. Each individual licensee will determine the course of study to be pursued.

(b) The following are deemed to qualify as acceptable continuing education programs, provided the standards outlined in 252 CMR 2.14(4)(c) are maintained. The Board may require that sponsors of continuing education programs be pre-approved by registering with the Board or its designee.

1. Professional development programs of national and state accounting organizations.

2. Technical sessions at meetings of national and state accounting organizations and their chapters.

3. University or college courses:

- Credit courses - each semester hour credit shall equal 15 hours toward the requirement.

- Non-credit courses - each classroom hour will equal one qualifying hour.

4. Programs in other organizations (accounting, industrial, professional, etc.).

5. Other organized educational programs on technical and other practice subjects.

(c) In order to qualify under 252 CMR 2.14(4)(b), a program must:

1. require attendance;
2. be at least one class hour (50-minute period) in length;
3. be conducted by a qualified instructor or discussion leader;
4. require a maintained record of attendance; and
5. require a written outline to be retained.

(d) Formal correspondence or other individual study programs which provide evidence of satisfactory completion may qualify, with the amount of credit to be determined by the Continuing Education Committee. The Continuing Education Committee will not approve any program of learning that does not offer sufficient evidence that the work has actually been accomplished.

(e) Credit for one hour of continuing education will be awarded for each presentation hour completed as an instructor or discussion leader to the extent that the particular activity contributes to the professional competence of the registrant as determined by the Continuing Education Committee. Two hours of credit for preparation time will be allowed for each presentation hour. The maximum credit for such preparation and teaching shall not exceed a maximum of 50% of the renewal period requirement.

(f) Credit may be awarded for published articles and books. The amount of credit so awarded will be determined by the Continuing Education Committee and shall not exceed a maximum of 25% of the renewal period requirement.

(5) Control and Reporting. Candidates for biennial license renewal must provide a signed statement, under penalty of perjury, supported by documentation disclosing the following information pertaining to the education programs submitted for qualification under the Public Accountancy Continuing Education Rules:

- (a) school, firm or organization conducting course;
- (b) location of course;
- (c) title of course or description of content;
- (d) dates attended; and
- (e) hours claimed.

The Continuing Education Committee will verify, on a test basis, information submitted by licensees. If a Continuing Education Statement submitted by an applicant for biennial license renewal as required by 252 CMR 2.00 is not approved, the applicant shall be so notified and the applicant may be granted a period of time by the Board in which to correct the deficiencies noted.

(6) Exceptions. The Board may make exceptions from the Public Accountancy Continuing Education Rules where:

- (a) reasons of health, certified by a medical doctor, prevent compliance by the licensee;

(b) the licensee is on active duty with the Armed Services of the United States; or

(c) other good cause exists.

No exception shall be made solely because of age.

(7) Fees. The Board shall establish a biennial fee for processing and maintaining licensees' Continuing Education Statements and other related documents.

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2.15: Quality Review Requirement

(1) Definitions.

(a) Board, Licensee, Practice of Public Accountancy, and Quality Review are defined as set forth in M.G.L. c. 112, § 87A.

(b) Practice Unit means:

1. Each individual licensed by the Board who is engaged in the practice of public accountancy as a sole proprietor; or

2. Each firm licensed by the Board to engage in the practice of public accountancy.

(c) Multi-jurisdictional Practice Unit means a practice unit with some members or employees who hold licenses issued by the Board and with other members or employees who have similar authority to practice public accountancy in one or more other jurisdictions.

(d) Approved Reviewer means an individual licensed by the Board who has been approved by a report acceptance body to be responsible for conducting quality reviews of practice units. Qualifications of approved reviewers are stated in 252 CMR 2.15(3).

(e) Report Acceptance Body means practice units, professional societies, or other organized groups of public accountants approved by the Board to be responsible for the selection of approved reviewers, the acceptance of quality reviews and letters of comments conducted by approved reviewers, and the consideration of any responses of a reviewed practice unit to its quality review.

(f) Review Oversight Board means a committee of individuals licensed and appointed by the Board to oversee the work of approved reviewers and report acceptance bodies.

(g) Compilation Engagement means an engagement undertaken by a practice unit in accordance with AICPA standards with the objective of presenting data supplied by the client in financial statement format without expressing an opinion or any other form of assurance on them.

(h) Review Engagement means an engagement undertaken by a practice unit in accordance with AICPA standards with the objective of reviewing financial statements to obtain a reasonable basis, usually by making inquiries and performing analytical procedures, for expressing limited assurance that there are no material modifications that should be made for the financial statements to conform with generally accepted accounting principles or other comprehensive basis for accounting.

(i) Audit Engagement means an engagement undertaken by a practice unit in accordance with AICPA standards with the objective of providing a reasonable basis for expressing an opinion that the financial statements are, in all material respects, in conformity with generally accepted accounting principles or other comprehensive basis for accounting by performing procedures in accordance with generally accepted auditing standards.

(j) On-site Quality Review means a quality review conducted at the office of a reviewed practice unit, which includes testing compliance of the practice unit's quality control policies and procedures and a review of selected accounting and auditing engagements, sufficient to provide the approved reviewer with a reasonable basis upon which to issue a quality review report meeting the requirements of 252 CMR 2.15(4).

(k) Off-site Quality Review means a quality review conducted outside the office of a reviewed practice unit, which consists of reviewing selected financial statements, the reports thereon, and related documents to determine compliance with professional standards, sufficient to provide the approved reviewer with a reasonable basis upon which to issue a quality review report meeting the requirements of 252 CMR 2.15(4).

(2) Quality Review Certification and Compliance of Requirements.

(a) EFFECTIVE JUNE 1, 1997, every licensee, as a condition for the renewal of a license to practice public accountancy, must certify under the pains and penalties of perjury either:

1. That the practice unit or, for individuals, the practice unit by which the individual is employed or is a member, partner or shareholder, has, within the three years immediately preceding the application for renewal, completed a quality review which has been accepted by a report acceptance body (or, for multi-jurisdictional practice units, a quality review which meets the requirements of 252 CMR 2.15(10)) and that such practice unit is in compliance with the terms of any quality review report and letter of comments accepted by, and any actions mandated by, the report acceptance body; or

2. That the practice unit, or for individuals, the practice unit by which the individual is employed or is a member, partner or shareholder, has conducted no audit, review or compilation engagements during the three years preceding the application for license renewal; and that the practice unit or individuals who are members, partners or shareholders of a practice unit will inform the Review Oversight Board if the practice unit undertakes an audit, review or compilation engagement and the practice unit, or, for individuals, the practice unit in which the individual is a member, partner or shareholder will undergo a quality review within one year of undertaking any such engagement.

(b) If a practice unit by which an individual licensee is employed or is a member, partner or shareholder has conducted an audit engagement during the three years preceding the application for license renewal, the licensee must further certify under the pains and penalties of perjury that the quality review completed was an on-site quality review.

(c) Every practice unit must cooperate with the approved reviewer, the report acceptance body, and the Review Oversight Board and take all steps necessary, including the payment of all costs and fees relating to the quality review, to comply with the quality review requirement.

(d) A practice unit and the members, partners or shareholders of a practice unit, that, after the date of renewal of a license, fails to continue to comply with the terms of the quality review report or letter of comments accepted by a report acceptance body, must promptly inform the Board of any non-compliance by the practice unit. Such non-compliance failure to report same promptly to the Board, failure to cooperate with the approved reviewer, the report acceptance body or the Review Oversight Board, or any other failure to comply with the quality review requirements of 252 CMR 2.15, shall be grounds for license revocation, suspension or other disciplinary action under M.G.L. c. 112, § 87C½ of any practice unit and any member, partner or shareholder thereof failing to comply or failing to report such non-compliance to the Board.

(3) Qualifications of Approved Reviewers.

(a) An approved reviewer must meet the following minimum qualifications:

1. hold a current individual license issued by the Board;
2. possess at least five years of current experience in the practice of public accountancy in the accounting and auditing function;
3. be independent from, and have no conflict of interest with, the licensees or practice unit being reviewed; and
4. be familiar with all specialized services in the area of accounting and auditing provided by the practice unit being reviewed.

(b) To be qualified as an approved reviewer, an individual licensed by the Board must provide a report acceptance body with documentation of his or her qualifications, as listed in 252 CMR 2.15(3)(a) and such other information requested by the report acceptance body.

(c) A report acceptance body, in its discretion, may terminate the appointment of an individual to act as an approved reviewer.

(4) Conduct of Quality Reviews.

(a) In the case of a practice unit which undergoes a quality review, upon completion of the review, the approved reviewer shall write a quality review report which, at a minimum, sets forth the nature (on-site or off-site) and scope of the quality review, including any limitations thereon, and the AICPA standards under which the quality review was performed. On-site quality review reports shall, at a minimum, set forth an opinion on whether, during the period under review, the system of quality control for the

accounting and auditing practice of the reviewed practice unit met AICPA quality control standards and whether that system of quality control was being sufficiently complied with so as to provide the approved reviewer with reasonable assurance that the practice unit was conforming with AICPA quality control and professional standards. Off-site quality review reports shall disclaim an opinion or any form of assurance about the reviewed practice unit's quality control standards and procedures, and indicate if the financial statements and compilation or review reports submitted for review did not conform with AICPA requirements and describe significant departures from those standards.

(b) The quality review report shall also describe the reason for any qualification or limitation of the report and set forth any corrective measures to be undertaken by the practice unit to address any issues identified by the quality review.

(c) Upon completion of the quality review and preparation of the quality review report, the approved reviewer shall issue a copy of the quality review report to the practice unit and a report acceptance body.

(5) Qualifications of Report Acceptance Bodies.

(a) The Board, or, in the Board's discretion, the Review Oversight Board, shall approve one or more practice units, professional societies or other organized group of certified public accountants and/or public accountants to function as report acceptance bodies.

(b) The Board may, in its discretion, terminate its approval of a report acceptance body.

(6) Authority and Function of Report Acceptance Bodies.

(a) Within 30 days after an approved reviewer issues a quality review report, the reviewed practice unit must file a letter of response with the report acceptance body for consideration of the results of the review by the approved reviewer, unless the quality review report was not accompanied by a letter of comments.

(b) If a quality review report is accompanied by a letter of comments and no letter of response is received, then the report acceptance body may conduct a limited review of the quality review report and such other documents as deemed appropriate, and determine whether to accept, alter, or reject and return the quality review report for further review.

(c) A report acceptance body may mandate that corrective action be taken by the reviewed practice unit or that a further quality review of the practice unit be performed, or may recommend to the Review Oversight Board that limits be placed on the public accountancy practice of the reviewed practice unit.

(7) Authority and Function of Review Oversight Board.

(a) The Board may appoint up to five individual licensees to a Review Oversight Board to monitor programs administered by the report acceptance bodies and report periodically to the Board. Review Oversight Board members shall not be current members of the Board and may be removed or replaced by the Board in its discretion.

(b) A reviewed practice unit may request reconsideration of the action of a report acceptance body by the Review Oversight Board, which may accept, alter or reject and return for further review any action of a report acceptance body, and may mandate corrective action or impose other restrictions.

(c) Following reconsideration by the Review Oversight Board, a reviewed practice unit may request Board review of the action of the Review Oversight Board.

(d) During the pendency of a request for reconsideration by the Review Oversight Board or the Board, the reviewed practice unit must comply with the terms of a quality review report as accepted or altered by a report acceptance body.

(8) Confidentiality of Quality Review Reports.

(a) All quality review reports and related materials shall remain confidential, as provided in M.G.L. c. 112, § 87E½.

(b) Notwithstanding the provisions of 252 CMR 2.15(8) and M.G.L. c. 112, § 87E½, the Board shall have the right to inquire of a report acceptance body or the Review Oversight Board as to whether a quality review report has been accepted.

(9) Waiver of Quality Review.

(a) The Review Oversight Board may grant a waiver of or extension of time to meet the quality review requirement for the following reasons:

1. health;
2. military service; or
3. other good cause, as determined by the Review Oversight Board.

(b) Requests for waivers or extension of time shall be in writing, under oath, and submitted with the renewal form or as soon as practicable after the circumstances arise which are the basis for the request.

(c) Any practice unit which has been granted a waiver or extension of time shall immediately notify the Review Oversight Board when the basis upon which such waiver or extension of time was granted has ceased to exist. When the circumstances upon which such a waiver was granted cease to exist, the Review Oversight Board may require the practice unit to undergo a quality review at such time as the Review Oversight Board deems appropriate. A waiver shall only be effective for the calendar year for which it has been granted.

(d) A practice unit may request the Board to review a decision of the Review Oversight Board regarding a waiver or extension. Such request must be filed with the Board in a timely manner.

(10) Review of Multi-jurisdictional Practice Units. The Review Oversight Board may accept a quality review of a multi-jurisdictional practice unit which is based solely upon work conducted outside of Massachusetts as satisfying the quality review requirement if:

- (a) the quality review was conducted within three years of the renewal application;
- (b) the quality review is performed in accordance with requirements equivalent to those of the Board;
- (c) the quality review studies, evaluates and reports on the financial reporting practice of the practice unit as a whole; and
- (d) At the conclusion of the quality review, the quality reviewer issues a report meeting the requirements of 252 CMR 2.15(4).

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2.16: Requirements for Reinstatement of Lapsed/Expired License

- (1) A license which has lapsed for one renewal cycle or less may be reinstated upon:
 - (a) payment of the back license fee, a late fee and the current license fee;
 - (b) presentation of evidence satisfactory to the Board of having completed all required continuing professional education credits, as provided in 252 CMR 2.14; and
 - (c) completion of any other Board requirements.
- (2) A license which has lapsed for more than one renewal cycle may be reinstated upon:
 - (a) If practicing in Massachusetts during the period the license was expired:
 - 1. payment of all back license fees, a late fee and the current license fee;
 - 2. presentation of evidence, satisfactory to the Board, of having completed all required continuing education credits, as provided in 252 CMR 2.14; and
 - 3. completion of any other Board requirements, including re-examination and acknowledgement of practice during the period the license was expired.
 - (b) If not practicing during the period the license was expired:
 - 1. payment of the current license renewal fee and a late fee;
 - 2. presentation of evidence, satisfactory to the Board, of having completed all required continuing professional education credits, as provided in 252 CMR 2.14;
 - 3. completion of any other Board requirements, including re-examination; and
 - 4. submission of an affidavit signed under the pains and penalties of perjury that the individual has not been practicing during the period the license was expired.

(c) If practicing in another state during the period the Massachusetts license was expired:

1. payment of the current license renewal fee and a late fee;
2. submission providing to the Board of an official record of good standing or certified statement from other licensing authority indicating the license is in good standing in the state of current licensure; and
3. presentation of evidence, satisfactory to the Board, of having completed all required continuing professional education credits, as provided in 252 CMR 2.14.

(3) Notwithstanding the provisions of 252 CMR 2.16, the Board may refer cases of unlicensed practice to appropriate law enforcement authorities for prosecution.

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2.17: Conversion of Public Accountant License to Certified Public Accountant License

(1) Pursuant to the M.G.L. c. 112, § 87C(a) and (b), the Board may issue the certificate and license to practice as a Certified Public Accountant (CPA) to an individual licensed as a Public Accountant (PA) by the Board who meets all the following requirements:

- (a) The PA files an application with the Board for the conversion of the PA certificate and license to a CPA certificate and license;
- (b) At the time of application for conversion of the PA certificate and license, the PA holds a current license issued by the Board;
- (c) At the time of application for conversion of the PA certificate and license, any public accounting firm that employs the PA or in which the PA has an interest holds a current license issued by the Board and meets the quality review requirements of M.G.L. c. 112, § 87B½ and 252 CMR 2.15; and
- (d) For the five year period prior to July 1, 1998 (or for the duration of licensure as a PA by the Board, if less than five years), the PA maintained a current PA license issued by the Board and completed all continuing education hours required pursuant to M.G.L. c. 112, § 87B(e) and 252 CMR 2.14.

(2) Subsequent to the approval of the application for conversion from a PA certificate and license to a CPA certificate and license, the licensee must cease to utilize the designation "PA" in all forms of practice and is limited to utilizing the designation "CPA" in all forms of practice.

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3.05: Other Responsibilities and Practices

(1) Discreditable Conduct. A certified public accountant shall not commit any act discreditable to the profession.

(2) Solicitation and Advertising.

(a) Advertising. Certified Public Accountants may provide information to the public by advertising. Such advertising shall not:

1. be false, deceptive or misleading;
2. create false or unjustified expectations of favorable results;
3. imply the ability to influence improperly any court tribunal or regulatory agency;
4. fail to disclose all variables and other relevant factors for soliciting professional engagements;
5. violate M.G.L. c. 93A; or

(b) Solicitation. Certified Public Accountants may solicit professional engagements by direct communications. Such communications shall not:

1. be false, deceptive or misleading;
2. create false or unjustified expectations of favorable results;
3. imply the ability to influence improperly any court tribunal or regulatory agency;
4. fail to disclose all variables and other relevant factors for soliciting professional engagements;
5. violate M.G.L. c. 93A; or
6. be coercive, intimidating, threatening or overreaching.

(3) Commissions.

(a) "Commission" means any item of value given or received by a licensee to or from any third party in return for suggesting the purchase of any product or service.

(b) A licensee shall not recommend or refer to a client any product or service in exchange for a commission, recommend any product or service to be supplied by the licensee's client to a third party, or receive a commission when the licensee or the licensee's firm also performs for that client:

1. An audit or review of a financial statement;
2. A compilation of a financial statement when the licensee expects or reasonably might expect that a third party will use the financial statement and the licensee's report does not disclose a lack of independence; or
3. An examination of prospective financial information.

(c) The prohibition of 252 CMR 3.05(3)(b) applies during the period in which the licensee is engaged to perform any of the services listed in 252 CMR 3.05(3)(b)1., 2. and 3. and the period covered by any historical financial statements involved in the listed services.

(d) A licensee who is not prohibited from receiving a commission and who is paid or expects to be paid a commission shall disclose that fact, in writing, to any person or entity to whom the licensee recommends or refers a product or service to which the commission relates.

(e) A licensee who accepts a fee for recommending or referring any service of another licensee to any person or entity or who pays a fee to obtain a client shall disclose, in writing, the receipt or payment of the fee to the client.

(f) This rule shall not prohibit:

1. Payments for the purchase of an accounting practice; or
2. Retirement payments to individuals, and their heirs or estates, who were formerly engaged in the practice of public accounting.

(4) Incompatible Occupations. A certified public accountant who is engaged in the practice of public accounting shall not concurrently engage in any business or occupation which impairs his independence or objectivity in rendering professional services.

(5) Form of Practice and Name.

(a) Form of Practice. A certified public accountant may practice public accountancy only in a proprietorship, partnership, professional corporation, business corporation, limited liability partnership, or limited liability company, organized in accordance with M.G.L. c. 156A, c. 156B, c. 156C or c. 108A.

(b) Firm Names. A certified public accountant shall not practice public accountancy using a professional or firm name which is misleading as to the legal form of the firm or as to the persons who are partners, officers, shareholders or members of the firm, or as to any matter with respect to which public communications are restricted by 252 CMR 3.05(2)(a). A firm name is misleading, and thus prohibited if, among other things:

1. The firm name implies the existence of a corporation when the firm is not a corporation (as by use of the abbreviation "P.C.");
2. The firm name implies existence of a partnership when the firm is not a partnership;
3. The firm name implies the existence of a limited liability partnership or a limited liability company when the firm is not a limited liability partnership or a limited liability company as duly and validly registered in the Commonwealth of Massachusetts;
4. The firm name includes the name of a person who is neither a present nor a past partner, shareholder, or member of the firm; or
5. The firm name includes the designation "and Associates," "and Assoc.," "and Company," or "& Co." when there are not in fact at least two owners, or a sole proprietor or single owner CPA firm with at least one licensed full-time employee. Sole proprietors or single owner CPA firms must notify the Board, in writing, identifying the name of the licensed full-time employee for approval of a firm name designating other than the licensee's name.

(c) Fictitious Firm Names. A fictitious firm name is any firm name that does not consist of solely the last names (except that an individual's first name may be used with the individual's last name) of the living or deceased natural persons who constitute or constituted one or more present or former owners of the firm together with any designation of the type of legal entity in which the firm is organized. A firm may not use a fictitious name unless (1) such firm name consists solely of the initials of the last names of living or deceased natural persons who constitute or constituted one or more present or former owners of the firm, or a combination of such initials and the last names of living or deceased natural persons who constitute or constituted one or more present or former owners of the firm, together with any designation of the type of legal entity in which the firm is organized and (2) such firm name has been registered with and approved by the Board as not being false or misleading, and as not reflecting discredit upon the accounting profession.

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REGULATORY AUTHORITY

252 CMR 3.00: M.G.L. c. 13, §§ 33 and 34; c. 112, §§ 87A through E and 61

Policy Guideline

From:	Board of Registration In Public Accountancy
Re:	Board Policy Guidelines on Computer Based Exams ("CBT") and Firm Names
Date:	August 19, 2004

The Board of Registration In Public Accountancy (**Board**) voted today to adopt the following Policy Guidelines. These policy guidelines are intended as a recommended protocol for the accounting profession to follow. The Board utilizes these and other guidelines as an internal management tool in formulating decisions that relate to issues of public accountancy profession.

Computer Based Exams ("CBT") and Firm Names August 16, 2004 **Policy #04-01**

Purpose: The purpose of this bulletin is to offer guidance to the Division of Professional Licensure's Board of Public Accountancy (the "Board") to administer a computer-based licensure exam and protocol for the approval of firm names. This bulletin also makes specific reference to Board regulations and eliminates irrelevant language relating to the passage and grading of the written licensure exam.

Policy: **THE BOARD ADOPTS THE ATTACHED RECENTLY APPROVED BY THE BOARD DRAFT REGULATIONS .**

In May 2004 the current Massachusetts General Laws chapter 112, section 87 A 1/2 (the "Law") was amended by eliminating statutory reference to a paper-based exam, since the Division of Professional Licensure's Board of Public Accountancy (the "Board") now administers a computer-based licensure exam ("CBT"). The above mentioned amended law makes specific reference to Board regulations and eliminates irrelevant language relating to the passage and grading of the written CPA exam. The revised and computerized version of the national uniform CPA exam is in use by all other forty-nine (49) states. The revision and computerization of the national uniform CPA exam is considered the most efficient way to offer the CPA examination. This format has been developed and is used by all of the other 49 states. This amended law brings the law of the Commonwealth of Massachusetts in line with current practices to ensure that practitioners in Massachusetts meet nation-wide competency standards. The new exam enhances the Board's evaluation of a candidate's abilities by enabling the testing of higher-level cognitive skills and the analysis of his or her real-world, entry-level accounting qualifications. The CBT also provides flexibility and convenience to candidates. The exam is available year round and allows for four opportunities to sit rather than two opportunities as under the present law. This exam offers greater fairness and consistency in passing grade measurement and saves time in administration, grading and reporting. The CBT also provides added security in its administration.

**THE CURRENT DRAFT OF THE RELEVANT SECTIONS OF 252 CMR: BOARD OF REGISTRATION
IN PUBLIC ACCOUNTANCY (252 CMR 2.00 REQUIREMENTS FOR CERTIFICATION AND 252 CMR
3.05 (4) (b) FIRM NAME FOLLOWS (ATTACHED HEREWITH):**